



## Medical Mutual of Ohio Improves Customer Service, Cuts Costs, and Prepares for the Future with Avaya IP Telephony and Contact Center Solutions

### Challenge:

Medical Mutual of Ohio (and its IT subsidiary Antares Management Solutions) needed to build a scalable, flexible communications solution to accommodate future growth and new applications; and deploy a contact center on top of the communications network to deliver increased customer service.

### Solution:

Avaya MultiVantage™ Communications Applications. For Toledo and Cleveland: state-of-the-art contact centers built on Avaya DEFINITY® Communications Servers running Avaya Interaction Center software. For branch offices: sales branches integrated into the IP network, Avaya Communication Manager with an Avaya DEFINITY® Server SI and an Avaya CMC1 Media Gateway running on Avaya S8300 Media Servers and Avaya G700 Media Gateways. Avaya Global Services, including Avaya Consulting and Integration Services, Avaya IP Network Readiness Assessment and an Avaya Maintenance Agreement

### Value Created:

- Service levels have dramatically improved from 21 to 94 percent, well above Medical Mutual's goal of 85%.
- With Avaya Interaction Center, real-time information specific to each caller is provided to contact center agents at their desktops. The average time to resolve a call dropped from more than five minutes to less than four minutes.
- Wait time or Average Speed to Answer (ASA) dropped from greater than one minute before Avaya Interaction Center was installed, to 18 seconds after installation.
- Avaya Communication Manager, running on Avaya S8300 Media Servers, Avaya G700 Media Gateways and Avaya P330 Stackable Switching Systems, offers an easily maintained and managed solution.
- A contact center based on Avaya Interaction Center was built on top of the communications network; Antares Management Solutions has been able to market excess bandwidth by outsourcing IT services.

For a healthcare insurance provider to succeed, it must be able to quickly respond to customer requests for information about their benefits, coverage and claims. When corporations decide which company will provide its insurance coverage, customer satisfaction is an important part of the equation. So, when Medical Mutual of Ohio sought to significantly increase customer satisfaction, it recognized that it had to replace an aging communications network and construct a new customer contact center. Medical Mutual turned to Avaya for a two-pronged solution. The first component involved re-building its communications network with Avaya Communication Manager running on Avaya S8300 Media Servers, Avaya G700 Media Gateways and Avaya P330 Stackable Switching Systems. The second component consisted of building a contact center using Avaya Interaction Center. The solutions have dramatically enhanced customer satisfaction, including an increase in service levels from 21 to 94 percent, a reduction in caller wait time from greater than one minute to less than 20 seconds, and a reduction in callers receiving busy signals from 7 percent to under 1 percent. The solution will yield a five-year total net benefit of \$1,843,000.

### About Medical Mutual and Antares Management Solutions

Medical Mutual has been a healthcare insurance company in Ohio since 1934, when it pioneered the concept of prepaid healthcare insurance. As the oldest healthcare insurance company in Ohio, it offers a wide range of health

plans that are flexible and tailored to meet the needs of employee groups of all sizes, as well as individuals and families who need personal health insurance.

Headquartered in Cleveland, Medical Mutual has offices throughout the state. It serves 3.5 million customers along all lines of business. Medical Mutual's annual premium and service-generated revenue in 2003 was \$1.9 billion. The company has over 30,000 participating physicians and nearly 2,400 employees.

Antares Management Solutions, the IT subsidiary of Medical Mutual, was founded in 1997. It has 700 employees and provides IT services for Medical Mutual, and offers these services in all 50 states. The company provides state-of-the-art Information Technology Outsourcing (ITO) and Business Process Outsourcing (BPO) to a wide variety of businesses.

### The Challenge: Replace Aging Communications Network and Improve Customer Service

High levels of customer service are among the key factors in a healthcare insurance company's success. Several years ago, Medical Mutual targeted improving customer service.

A high-level of customer service translates to a higher level of customer retention and helps attract new customers.

Improving customer service levels meant that Medical Mutual would need to serve its customers in a more

personal way. With an eye on its customer, Medical Mutual developed the requirements needed for its new contact center.

To provide this personalized customer service, Medical Mutual determined that it would need to build a new contact center that would offer a number of new capabilities, including the ability to route caller information directly to customer service representatives' desktops. Medical Mutual, however, had a communications network that was not capable of handling a new contact center. The system was so old that it needed to be replaced, whether or not the company decided to install a new contact center. The hardware platform was 15 years old, was no longer being supported by NEC, and new parts were not being manufactured. It had reached the end of its lifecycle.

In addition to the aging NEC system, Medical Mutual also had a system for its existing call center provided by Aspect that the company also wanted to replace. Medical Mutual had two separate applications — a phone service provided by NEC, and a call center provided by Aspect. Medical Mutual wanted to combine both systems into a single solution.

### The Need for a New Communications Solution

Antares Management Solutions was looking for a solution that would:

- Provide a unified communications network able to handle both data and voice traffic
- Take advantage of IP Telephony to reduce costs and leverage new communications technologies
- Provide the sophisticated functionality Medical Mutual required for a contact center solution.
- Offer a stable platform to support new communications applications
- Deliver enough spare bandwidth to provide Antares Management Solutions opportunities to offer IT outsourced services.

### The Need for a New Contact Center

Once the new communications network was in place, Medical Mutual was looking for a contact center solution that would:

- Route customer information to contact center representatives' desktops, allowing easy access to information required to quickly resolve customer questions and requests
- Decrease the amount of time callers are placed on hold when waiting for a customer service representative
- Decrease the percentage of callers receiving busy signals when dialing the contact center
- Decrease time for customer service representatives to resolve each call
- Improve customer satisfaction.

## Medical Mutual and Antares Choose Avaya

Antares Management Solutions chose Avaya to replace its aging communications system. Antares determined that the Avaya communications solution offered the best blend of forward-looking technology, stability, and low cost. After installing the new Avaya communications network, Antares was able to seamlessly replace more than 2,000 voice terminals in two locations over a single weekend. These two sites now operate as one center.

Only after the system was upgraded could a new contact center be built. Medical Mutual turned to its IT subsidiary, Antares Management Solutions. Antares determined that it would launch a two-phase project. In the first phase, the aging communications system would be replaced. The second phase called for the rebuilding of a contact center in addition to a new communications network.

After the new Avaya communications network was in place, the company had to choose a contact center solution. Antares Management Solutions issued a Request for Proposal (RFP), and narrowed down the final choice to three vendors. Particularly important was that the contact center should be easily integrated with the hardware platform that had just been installed. Cost was also important. The solution had to offer features sophisticated enough to handle Medical Mutual's present and future needs. Antares also wanted a solution that would aid in serving outside customers. For all these reasons, Antares chose Avaya Interaction Center.

*"In the type of business we're in, we have zero tolerance for downtime.*

*The transition has to be smooth and invisible to the customer — and that is what Avaya provided,"* said John Columbro, Antares Management Systems Manager of Network Support & Telecommunications.

There were several major steps required to implement the Avaya solution. In the first step, Medical Mutual moved to the Avaya Communication Manager resigning Avaya DEFINITY® Communications Server systems in Cleveland and Toledo, replacing its digital telephony system, but not yet moving to IP Telephony. In this step, Medical Mutual used Avaya Communication Manager to consolidate its two applications onto a single platform. Previously, it had two separate environments supported by two different companies — NEC supporting voice and Aspect supporting call center. Avaya Communication Manager replaced those two separate environments with a single system for both voice and call management, supported by the Avaya DEFINITY Communications Server.

At that point, the network supported digital but not IP telephony. In the next step, the Avaya solution then enabled Medical Mutual to converge its networks and move into the world of IP Telephony.

## Avaya Global Services Provides Support

One key to the success of the Medical Mutual initiatives has been support from Avaya Global Services. Medical Mutual decided to utilize a combination of Avaya Consulting and Integration Services (which provided Solution Design & Development and Solution Deployment) and Avaya Program Management in order to meet the challenges of installing Avaya Communication Manager, preparing for the move to IP communication, and optimizing the implementation of Avaya Interaction Center. Additionally, Medical Mutual selected an Avaya Maintenance Agreement that provides continuous system and application availability in order to minimize its risk of loss due to system or network outages.

Early in the project, Antares engaged Avaya Global Services to handle the implementation and integration of Avaya Communication Manager with the new Avaya servers and gateways. The Avaya team handled the entire

process, working under the supervision of an Avaya Program Manager.

Then, before Medical Mutual began its transition to IP services, Avaya conducted a Detailed Avaya IP Network Readiness Assessment designed to assess network resources, identify any bottlenecks that might impair performance of the converged network, and address any shortcomings.

Avaya Global Services also played a major role at the contact center. An Avaya Consulting and Integration Services team conducted an Avaya IP Network Readiness Assessment, which helped Medical Mutual determine whether its new network was optimized to benefit both internal users and external customers.

## The Communications Solution Pays Off

With the new Avaya solution in place, Antares is now able to reduce the number of circuits supported by its switch by 10 percent. The company can now deploy new phone numbers in a matter of hours, rather than the two days it took under the previous system. The company can take advantage of IP Telephony. Antares also has a stable environment that is flexible, scalable and can be supported for less than the previous cost. It has an ideal platform on which to build new applications.

Finally, Antares has been able to use the platform not just for Medical Mutual contact centers, but to leverage as a solutions provider for external customers.

## The Bottom Line for the Contact Center Solution

A detailed analysis of the contact center implementation shows that Medical

Mutual will gain a five-year net benefit of \$1,843,000. It will yield an annual ROI of 25 percent and has a payback period of 29 months. Each contact center seat will see a productivity improvement of 6.5 percent. There will be an increase in annual revenue per call center seat of \$19,949.

The \$1,843,000 savings for Medical Mutual will come from reducing the number of contact center representatives handling high volumes of calls, and producing revenue by providing higher customer service levels while reducing line costs for the contact center.

More important than the numbers, however, is the dramatic increase in the levels of service that improved contact center processes allow Medical Mutual to deliver to its customers. Medical Mutual measured these improved levels of service:

- Wait time or ASA per call decreased from over one minute to under twenty seconds
- Call resolution time for each call dropped from more than five minutes to less than four minutes, leading not only to more satisfied customers, but to improved customer service representative productivity
- Percentage of callers receiving busy signals dropped from 7 percent to less than 1 percent
- Percentage of “abandoned” calls — customers who hang up before they get through to a customer service representative — dropped from nearly 6 percent to 1.2 percent
- Overall service levels, as measured by Medical Mutual, increased from 21 percent to 94 percent

*“The contact center is a critical component in our company’s success.*

*Businesses look at how fast we answer their employees’ phone calls and how quickly we resolve those calls. The benefits that we’ve experienced with the Avaya communications solution have gone a long way toward improving Medical Mutual’s customer service,”* said Sherry Guzman, Director of Customer Service, Medical Mutual of Ohio.

## Medical Mutual and Antares Look to the Future

Medical Mutual and Antares Management Solutions are planning to expand the number of applications and services that take advantage of the complete solution, comprised of Avaya IP Telephony and Avaya Contact Center applications. They are developing an in-house customer relations management (CRM) system to integrate with Avaya Interaction Center to reap even higher productivity gains. They will be using Avaya solutions as the keystone of an enterprise strategy for creating other contact centers, including a Help Desk contact center, new customer service contact centers, and marketing service centers. The companies plan on starting new IP Telephony initiatives and taking advantage of the Avaya Unified Messaging application that provides a unified inbox for e-mail, voice-mail and faxes. Additionally, Antares Management Solutions will use the Avaya IP Telephony and Contact Center solutions for expanding its solutions provider business for external customers.

## Learn More

For more information on how Avaya can take your enterprise from where it is to where it needs to be, contact your Avaya Client Executive or Authorized Avaya BusinessPartner, or visit us at [www.avaya.com](http://www.avaya.com)

**BUSINESS ANALYSIS OF THE SOLUTION**

Project Summary						
Annual ROI	25%					
Payback Period (months)	29					
Total 5 Year Savings (\$000)	\$1,843					
% Improvement in Productivity/Call Center Seat	6.5%					
Initial Cost of Project (\$000)	Start Up	Year 1	Year 2	Year 3	Year 4	Year 5
CTI Equipment & Implementation	\$1,500					
Maintenance		\$99	\$99	\$99	\$99	\$99
Staffing		\$42	\$43	\$44	\$45	\$47
Total Cost of CTI Equipment	\$1,500	\$141	\$142	\$143	\$144	\$146
Benefit (\$000)						
Staffing Reduction in Call Centers		\$630	\$771	\$794	\$818	\$843
Reduced Line Costs for Call Centers		\$33	\$41	\$42	\$43	\$44
Total Benefits		\$663	\$812	\$836	\$861	\$887
Financial Analysis (\$000)						
Net Value	(\$1,500)	\$522	\$670	\$693	\$717	\$741
Cumulative Value	(\$1,500)	(\$978)	(\$307)	\$386	\$1,102	\$1,843
Net Present Value	\$1,164					
Annual ROI	25%					
IRR	36%					
Payback Period (months)	29					
Annual Business Metrics (\$)						
Increase in Annual Revenue/Call Center Seat	\$19, 949					
Annual Avaya CTI Cost/Call Center Seat	\$1,725					
Annual Benefit/Call Center Seat	\$1,434					
% Improvement in Productivity/Call Center Seat	6.5%					

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Note: This financial analysis was performed by ITCentrix, the premier software and services company for measuring and managing the business value of information technology investments. Results shown are not a guarantee of equivalent performance.

**ABOUT MEDICAL MUTUAL**

Medical Mutual, a trusted insurer for more since 1934, serves more than 1.5 million healthcare customers. Headquartered in downtown Cleveland, Ohio in the historic Rose Building, Medical Mutual has sales, service, and information technology offices in 12 locations across Ohio, and 2,500 Ohio-based employees who pride themselves on their customer service. As a mutual company, Medical Mutual is owned by its policyholders and acts in their best interest, not according to the demands of stockholders and Wall Street analysts. For more information, visit [www.medmutual.com](http://www.medmutual.com)

**ABOUT ANTARES MANAGEMENT SOLUTIONS**

Antares Management Solutions has a dual focus: business process outsourcing for the insurance industry and information technology outsourcing for small to mid-sized organizations throughout the United States.

By offering innovative and cost-effective outsourcing and consulting services, Antares helps the small to mid-sized market obtain operating efficiencies and sustain a competitive edge.

The combination of a personal, interactive business approach, considerable technological strength and an experienced, committed staff allows Antares to bring unique, customizable solutions to the marketplace. For more information, visit [www.antaressolutions.com](http://www.antaressolutions.com).

Applications	Systems	Services
<ul style="list-style-type: none"> <li>• Avaya MultiVantage™ Communications Applications</li> <li>• Avaya Communication Manager</li> <li>• Avaya Interaction Center</li> </ul>	<ul style="list-style-type: none"> <li>• Avaya DEFINITY® Communications Servers</li> <li>• Avaya CMC1Media Gateway</li> <li>• Avaya S8300 Media Servers</li> <li>• Avaya G700 Media Gateways</li> </ul>	<ul style="list-style-type: none"> <li>• Avaya Consulting and Integration Services</li> <li>• Avaya IP Network Readiness Assessment</li> <li>• Avaya Maintenance Agreement</li> </ul>

All statements in this Case Study were made by John Columbro, Manager of Network Support & Telecommunications, Antares Management Systems and Sherry Guzman, Director of Customer Service, Medical Mutual of Ohio.

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